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Budget Summaries

Department of Veterans Affairs
Discretionary and Mandatory Programs Chart
(dollars in millions)

Budget Authority

Outlays

\$24,660 \$26,447

\$26,997 \$30,123

\$24,500 \$26,233

\$26,951 \$30,278



Discretionary *

Mandatory

Discretionary *

Mandatory

The Administration is proposing that Agencies pay the full cost of the accrual for CSRS and FEHB in 2003. This chart reflects the costs of the comparable effects in the 2001 actuals (\$790 million), the 2002 current estimate (\$831 million), and the 2003 request (\$892 million).

Department of Veterans Affairs
Discretionary and Mandatory Programs Funding and Average Employment for 2001 - 2003
(dollars in thousands)

<i>With Benefits Accrual Included ^{1/}</i>	2001			2002			2003			Change			Percentage Change		
	(PY)			(CY)			(BY)			(BY - CY)			[(BY - CY)/CY]		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
Discretionary Programs															
Veterans Health Administration (VHA)															
Medical care	\$20,939,934	\$20,916,860	182,946	\$22,071,172	\$22,064,826	181,500	\$23,537,183	\$23,612,157	190,183	\$1,466,011	\$1,547,332	8,683	6.64%	7.01%	4.78%
Transfers to other accounts	-53,495	-53,495		-1,086	-1,086		0	0		1,086	1,086		0.00%	0.00%	0.00%
Proposed legislation includes receipts							0	0	-8,852	0	0	-8,852	0.00%	0.00%	0.00%
Medical care collections fund	767,687	767,687		805,000	785,224		1,083,874	936,071		278,874	150,847		34.64%	19.21%	0.00%
Total Medical care	21,654,126	21,631,052	182,946	22,875,086	22,848,964	181,500	24,621,057	24,548,228	181,331	1,745,971	1,699,264	-169	7.63%	7.44%	-0.09%
Medical and prosthetic research	362,892	351,720	3,019	384,474	378,234	2,983	409,075	402,334	3,167	24,601	24,100	184	6.40%	6.37%	6.17%
Medical administration & miscellaneous operating expenses (MAMOE)	68,445	71,138	528	73,944	73,867	545	77,214	76,887	545	3,270	3,020	0	4.42%	4.09%	0.00%
Subtotal, VHA	22,085,463	22,053,910	186,493	23,333,504	23,301,065	185,028	25,107,346	25,027,449	185,043	1,773,842	1,726,384	15	7.60%	7.41%	0.01%
Veterans Benefits Administration															
Native American veterans housing loan program account	0	116		0	254		0	0		0	-254		0.00%	-100.00%	0.00%
Education loan program account	1	1		1	1		1	1		0	0		0.00%	0.00%	0.00%
Vocational rehabilitation program account	47	47		71	71		55	55		-16	-16		-22.54%	-22.54%	0.00%
Grants for veterans employment - Program	0	0		0	0		177,000	159,300		177,000	159,300		0.00%	0.00%	0.00%
Subtotal, Veterans Benefits Administration	48	164		72	326		177,056	159,356		176,984	159,030		245811.14%	48782.22%	
Construction Programs															
Construction, major projects	65,895	178,846	21	183,180	106,692	50	193,740	114,331	50	10,560	7,639	0	5.76%	7.16%	
Construction, minor projects	165,974	156,774	43	210,900	176,703	80	210,700	194,197	80	-200	17,494	0	-0.09%	9.90%	
Grants for the construction of state extended care facilities	99,780	60,482	0	100,000	91,457	0	100,000	94,717	0	0	3,260		0.00%	3.56%	
Grants for construction of state veterans	24,945	20,347		25,000	21,167		32,000	24,984		7,000	3,817		0.00%	18.03%	
Parking revolving fund	6,486	4,814		4,000	2,738		0	3,976		-4,000	1,238		0.00%	45.22%	
Nursing home revolving fund	0	158		0	0		0	0		0	0		0.00%	0.00%	
Total, Construction Programs	363,080	421,421	64	523,080	398,757	130	536,440	432,205	130	13,360	33,448	0	2.55%	8.39%	
Departmental Administration															
Veterans Benefits Administration (VBA)	884,497	891,165	12,152	998,194	989,729	13,014	1,038,790	1,032,646	13,139	40,596	42,917	125	4.07%	4.34%	0.96%
Veterans housing benefit program fund program	164,139	164,139		167,084	167,084		170,735	170,735		3,651	3,651		2.19%	2.19%	
Native American veterans housing loan program	521	521		533	533		547	547		14	14		2.63%	2.63%	
Education loan program account	221	221		65	65		71	71		6	6		9.23%	9.23%	
Vocational rehabilitation program account	435	435		278	278		293	293		15	15		5.40%	5.40%	
Subtotal, Credit Reform (VBA)	165,316	165,316		167,960	167,960		171,646	171,646		3,686	3,686		2.19%	2.19%	
Subtotal, VBA with Credit	1,049,813	1,056,480	12,152	1,166,154	1,157,689	13,014	1,210,436	1,204,292	13,139	44,282	46,603	125	3.80%	4.03%	0.96%
Grants for veterans employment - Administrative	0	0	0	0	0	0	20,000	20,000	199	20,000	20,000	199	0.00%	0.00%	0.00%
Total, VBA	1,049,813	1,056,480	12,152	1,166,154	1,157,689	13,014	1,230,436	1,224,292	13,338	64,282	66,603	324	5.51%	5.75%	2.49%
General Administration	268,368	232,152	2,555	256,325	263,493	2,773	277,975	274,078	2,795	21,650	10,585	22	8.45%	4.02%	0.79%
Office of the Secretary	7,631		59	5,796		64	5,998		68	202	0	4	3.49%		6.25%
Board of Contract Appeals	1,473		11	1,511		11	1,564		11	53	0	0	3.51%		0.00%
Board of Veterans Appeals	46,445		455	49,619		464	51,246		451	1,627	0	-13	3.28%		-2.80%
General Counsel	50,898		654	54,669		697	56,893		687	2,224	0	-10	4.07%		-1.43%
AS for Management	29,384		227	31,413		285	41,499		287	10,086	0	2	32.11%		0.70%
AS for Information and Technology	22,633		175	24,933		194	27,752		226	2,819	0	32	11.31%		16.49%
AS for Human Resources & Administration	83,896		815	52,838		823	54,551		823	1,713	0	0	3.24%		0.00%
AS for Policy and Planning	13,522		59	13,300		65	16,037		65	2,737	0	0	20.58%		0.00%
Office of Operations and Preparedness	0			6,016		41	7,389		50	1,373	0	9	0.00%		21.95%
Emergency Supplemental	0			2,000			0			-2,000	0	0	-100.00%		0.00%
AS for Public and Intergovernmental Affairs	8,134		68	10,037		86	10,458		85	421	0	-1	4.19%		-1.16%
AS for Congressional and Legislative Affairs	3,760		34	4,193		43	4,588		42	395	0	-1	9.42%		-2.33%
Carryover	592														

Department of Veterans Affairs
Discretionary and Mandatory Programs Funding and Average Employment for 2001 - 2003
(dollars in thousands)

<i>With Benefits Accrual Included ^{1/}</i>	2001			2002			2003			Change			Percentage Change		
	(PY)			(CY)			(BY)			(BY - CY)			[(BY - CY)/CY]		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
Credit Reform															
Veterans housing benefit program fund program	4,739	4,739		4,753	4,753		4,942	4,942		189	189		3.98%	3.98%	
Native American veterans housing loan program	17	17		18	18		18	18		0	0		0.00%	0.00%	
Subtotal, Credit Reform (General Counsel)	4,756	4,756		4,771	4,771		4,960	4,960		189	189		3.96%	3.96%	
Subtotal, General Administration with Credit	273,124	236,908	2,555	261,096	268,264	2,773	282,935	279,038	2,795	21,839	10,774	22	8.36%	4.02%	0.79%
Total, General Operating Expenses (GOE)	1,152,865	1,123,317	14,707	1,254,519	1,253,221	15,787	1,316,765	1,306,724	15,934	62,246	53,502	346	4.96%	4.27%	2.19%
Total, Credit Reform - Administrative	170,072	170,072		172,731	172,731		176,606	176,606		3,875	3,875		2.24%	2.24%	
National Cemetery Administration	113,652	107,866	1,385	125,993	124,286	1,460	138,323	137,090	1,519	12,330	12,804	59	9.79%	10.30%	4.04%
Office of Inspector General	48,725	49,705	370	55,226	54,576	429	58,338	57,735	426	3,112	3,159	-3	5.64%	5.79%	-0.70%
Subtotal, Departmental Administration	1,485,314	1,450,960	16,462	1,608,469	1,604,815	17,676	1,710,032	1,698,155	18,078	101,563	93,340	601	6.31%	5.82%	3.40%
Total, Discretionary Program w/o Collections	23,166,218	23,158,768		24,660,125	24,519,739		26,447,000	26,381,094		1,786,875	1,861,355		7.25%	7.59%	
Total, Discretionary Program with Collections	23,933,905	23,926,455		25,711,125	25,550,963		27,935,874	27,708,264		2,052,389	1,978,754		7.98%	7.74%	
Proprietary Receipts															
Medical Care Collections Fund (MCCF)	-770,804	-770,804								0	0		0.00%	0.00%	
MCCF - First party collections				-228,000	-228,000		-192,000	-192,000		36,000	36,000		-15.79%	-15.79%	
MCCF - Third party collections				-577,000	-577,000		-529,000	-529,000		48,000	48,000		-8.32%	-8.32%	
MCCF - Deductibles				0	0		-362,874	-362,874		-362,874	-362,874		0.00%	0.00%	
Subtotal, Proprietary Receipts	-770,804	-770,804		-805,000	-805,000		-1,083,874	-1,083,874		-278,874	-278,874		34.64%	34.64%	
Total, Discretionary Programs	\$23,163,101	\$23,155,651	203,018	\$24,660,125	\$24,499,963	202,834	\$26,447,000	\$26,233,290	203,251	\$1,786,875	\$1,733,328	616	7.25%	7.07%	0.30%

^{1/} The Administration is proposing that Agencies pay the full cost of the accrual for CSRS and FEHB in 2003. This chart reflects the comparable effects in the 2001 actuals, the 2002 current estimate, and the 2003 request.

Mandatory Programs														
Veterans Benefits Administration														
Compensation and pensions	23,355,690	21,419,720	24,944,288	24,905,643		26,245,340	26,165,908		1,301,052	1,260,265		5.22%	5.06%	
Proposed 1.8 Percent COLA increase in 12/1/2002			0	0		278,960	254,880		278,960	254,880		0.00%	0.00%	
Total Compensation and pensions	23,355,690	21,419,720	24,944,288	24,905,643		26,524,300	26,420,788		1,580,012	1,515,145		6.33%	6.08%	
Readjustment benefits	1,981,000	1,608,226	2,135,000	2,222,900		2,264,808	2,557,300		129,808	334,400		6.08%	15.04%	
Reinstated entitlement program for survivors	0	-2,130	0	0		0	0		0	0		0.00%	0.00%	
Veterans insurance and indemnities	24,393	24,484	26,703	26,913		27,530	27,530		827	617		3.10%	2.29%	
Veterans housing benefit program fund liquidating	0	-3,965	0	-47,353		0	-2,234		0	45,119		0.00%	-95.28%	
Veterans housing benefit program fund program	335,872	335,872	754,045	754,045		437,522	437,522		-316,523	-316,523		-41.98%	-41.98%	
Guaranteed transitional housing loans for homeless veterans	0	0	0	0		0	4,777		0	4,777		0.00%	0.00%	
Service-disabled veterans insurance fund	7,609	7,933	7,262	8,840		7,150	7,160		-112	-1,680		-1.54%	-19.00%	
Veterans reopened insurance fund	13,216	11,707	18,587	17,650		20,887	20,400		2,300	2,750		12.37%	15.58%	
Education loan revolving fund liquidating account	0	-49	0	-73		0	-63		0	10		0.00%	-13.70%	
Servicemembers' group life insurance fund	-596	-330	-60	-240		670	490		730	730		-1216.67%	-304.17%	
Post-Vietnam era veterans education account	3,552	14,402	1,949	12,299		2,188	11,900		239	-399		12.26%	-3.24%	
National service life insurance	1,239,233	1,221,445	1,272,393	1,257,599		1,282,980	1,271,190		10,587	13,591		0.83%	1.08%	
U.S. Government life insurance	10,579	10,866	10,310	11,740		9,500	10,930		-810	-810		-7.86%	-6.90%	
Veterans special life insurance fund	-26,520	-46,643	-18,850	-36,134		-9,240	-23,150		9,610	12,984		-50.98%	-35.93%	
Subtotal, Veterans Benefits Administration	26,944,028	24,601,538	29,151,627	29,133,829		30,568,295	30,744,540		1,416,668	1,610,711		4.86%	5.53%	

Department of Veterans Affairs
Discretionary and Mandatory Programs Funding and Average Employment for 2001 - 2003
(dollars in thousands)

<i>With Benefits Accrual Included ^{1/}</i>	2001			2002			2003			Change			Percentage Change		
	(PY)			(CY)			(BY)			(BY - CY)			[(BY - CY)/CY]		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
Veterans health service improvement - Medical care	0	0		226,000	203,400		365,000	351,100		139,000	147,700		61.50%	72.62%	
Special therapeutic and rehabilitation activities fund	0	-1,317		0	-1,351		0	-1,385		0	-34		0.00%	2.52%	
Canteen service revolving fund	0	5,948	2,933	0	1,500	3,025	0	521	3,000	0	-979	-25	0.00%	-65.27%	
Veterans extended care revolving fund				0	0		0	0		0	0		0.00%	0.00%	
Medical facilities revolving fund	0	713		0	585		0	576		0	-9		0.00%	-1.54%	
General post fund	35,295	31,910		36,213	32,740		36,466	32,969		253	229		0.70%	0.70%	
Subtotal, Veterans Health Administration	35,295	37,254	2,933	262,213	236,874	3,025	401,466	383,781	3,000	139,253	146,907	-25	53.11%	62.02%	
Veterans Health Administration Proprietary receipts															
Veterans health services improvement															
Pharmaceutical co-payments				-225,000	-225,000		-364,000	-364,000		-139,000	-139,000		61.78%	61.78%	
Enhanced-use lease proceeds				-1,000	-1,000		-1,000	-1,000		0	0		0.00%	0.00%	
Subtotal, VHA Receipts	0	0		-226,000	-226,000		-365,000	-365,000		-139,000	-139,000	0	0.00%	0.00%	
Subtotal, Veterans Health Administration	35,295	37,254	2,933	36,213	10,874	3,025	36,466	18,781	3,000	253	7,907	-25	0.70%	72.71%	-0.83%
Departmental Administration															
Pershing Hall revolving fund	-250	-446		-250	0		-250	0		0	0		0.00%	0.00%	
Supply fund	0	-48,909	361	0	0	387	0	0	391	0	0	4	0.00%	0.00%	1.03%
Franchise fund	0	-7,060	636	0	-3,000	740	0	-4,000	740	0	-1,000	0	0.00%	0.00%	0.00%
National cemetery gift fund	98	92		100	100		100	100		0	0		0.00%	0.00%	
Subtotal, Departmental Administration	-152	-56,323	997	-150	-2,900	1,127	-150	-3,900	1,131	0	-1,000	4	0	0	0.35%
Veterans Benefits Administration Proprietary receipts															
GI Bill	-285,877	-285,877		-192,094	-192,094		-196,334	-196,334		-4,240	-4,240		2.21%	2.21%	
National service life insurance fund	-202,081	-202,081		-197,960	-197,960		-183,710	-183,710		14,250	14,250		-7.20%	-7.20%	
Post-Vietnam era veterans education account	-1,477	-1,477		-646	-646		-185	-185		461	461		-71.36%	-71.36%	
Downward Reestimates:															
Veterans housing benefit fund guaranteed loan program	-1,149,146	-1,149,146		-697,920	-697,920		0	0		697,920	697,920		-100.00%	-100.00%	
Veterans housing benefit fund loan sale securities program	-107,988	-107,988		-29,424	-29,424		0	0		29,424	29,424		-100.00%	-100.00%	
Veterans housing benefit fund direct loan program	-162,663	-162,663		-1,068,328	-1,068,328		-97,583	-97,583		970,745	970,745		-90.87%	-90.87%	
Native American veterans program account				-1,916	-1,916		0	0		1,916	1,916		-100.00%	-100.00%	
Subtotal, Proprietary receipts	-1,909,232	-1,909,232		-2,188,288	-2,188,288		-477,812	-477,812		1,710,476	1,710,476		-78.17%	-78.17%	
Intragovernmental transactions															
National service life insurance fund	-1,453	-1,453		-1,490	-1,490		-1,530	-1,530		-40	-40		2.68%	2.68%	
Post-Vietnam era veterans education account	-1,010	-1,010		-1,303	-1,303		-2,003	-2,003		-700	-700		53.72%	53.72%	
Subtotal, Intragovernmental transactions	-2,463	-2,463		-2,793	-2,793		-3,533	-3,533		-740	-740		-26.49%	-26.49%	
Total, Mandatory Programs	25,067,476	22,670,774	3,930	26,996,609	26,950,722	4,152	30,123,266	30,278,076	4,131	3,126,657	3,327,354	-21	11.58%	12.35%	-0.51%
Total, Department Veterans Affairs	\$48,230,577	\$45,826,425	206,948	\$51,656,734	\$51,450,685	206,986	\$56,570,266	\$56,511,366	207,382	\$4,913,532	\$5,060,682	595	9.51%	9.84%	0.29%

Department of Veterans Affairs
Discretionary and Mandatory Programs Funding for 2003 - 2007
(dollars in millions)

With the Benefits Accrual Included ^{1/}	2003		2004		2005		2006		2007	
	(BY)		(BY+1)		(BY+2)		(BY+3)		(BY+4)	
	BA	Outlay	BA	Outlay	BA	Outlay	BA	Outlay	BA	Outlay
Discretionary Programs										
Veterans Health Administration										
Medical care	\$23,537	\$23,612	\$23,835	\$23,909	\$24,287	\$24,243	\$24,779	\$24,733	\$25,287	\$25,238
Medical care collection fund	1,084	936	1,285	1,178	1,374	1,327	1,464	1,416	1,555	1,507
Total Medical care	24,621	24,548	25,120	25,087	25,661	25,570	26,243	26,149	26,842	26,745
Medical and prosthetic research	409	403	417	413	426	424	436	433	446	443
Medical administration and miscellaneous operating expenses	77	77	78	78	80	81	82	82	84	83
Subtotal, Veteran Health Administration	25,107	25,028	25,615	25,578	26,167	26,075	26,761	26,664	27,372	27,271
Veterans Benefits Administration										
Native American veterans housing loan program account	0	0	0	0	0	0	0	0	0	0
Education loan program account	0	0	0	0	0	0	0	0	0	0
Vocational rehabilitation program account	0	0	0	0	0	0	0	0	0	0
Grants for veterans employment - proposed legislation	177	159	177	177	177	177	177	177	177	177
Subtotal, Veterans Benefits Administration	177	159	177	177	177	177	177	177	177	177
Construction Programs										
Construction, major projects	194	114	198	147	202	177	207	193	212	201
Construction, minor projects	211	194	215	208	220	215	225	220	231	225
Grants for the construction of state extended care facilities	100	95	102	100	104	100	107	101	109	104
Grants for construction of state veterans cemeteries	32	25	32	28	33	31	34	33	35	34
Parking revolving fund	0	4	0	4	0	2	0	2	0	0
Nursing home revolving fund	0	0	0	0	0	0	0	0	0	0
Total, Construction Programs	537	432	547	487	559	525	573	549	587	564
Departmental Administration										
General Operating Expenses:										
Veterans Benefits Administration (VBA)	1,039	1,032	1,059	1,055	1,083	1,078	1,107	1,102	1,132	1,128
Veterans housing benefit program fund program account	171	171	175	175	178	178	183	183	187	187
Native American veterans housing loan program account	1	1	1	1	1	1	1	1	1	1
Education loan program account	0	0	0	0	0	0	0	0	0	0
Vocational rehabilitation program account	0	0	0	0	0	0	0	0	0	0
Subtotal, Credit Reform (VBA)	172	172	176	176	179	179	184	184	188	188
Grants for veterans employment - proposed legislation	20	20	20	20	20	20	20	20	20	20
Subtotal, Veterans Benefits Administration with Credit	1,211	1,204	1,235	1,231	1,262	1,257	1,291	1,286	1,320	1,316
General Administration	278	275	284	283	289	289	295	295	302	300
Veterans housing benefit program fund program account	5	5	5	5	5	5	5	5	5	5
Native American veterans housing loan program account	0	0	0	0	0	0	0	0	0	0
Subtotal, Credit Reform (General Counsel)	5	5	5	5	5	5	5	5	5	5
Subtotal, General Administration with Credit	283	280	289	288	294	294	300	300	307	305
Subtotal, General operating expenses w/out Credit	1,317	1,307	1,343	1,338	1,372	1,367	1,402	1,397	1,434	1,428
Subtotal, Credit Reform	177	177	181	181	184	184	189	189	193	193
National cemetery administration	138	137	141	140	144	144	147	147	150	150
Office of Inspector General	58	58	59	63	60	64	62	65	63	66
Subtotal, Departmental Administration	1,710	1,699	1,744	1,742	1,780	1,779	1,820	1,818	1,860	1,857
Total, Discretionary Program without Collections	26,447	26,382	26,798	26,806	27,309	27,229	27,867	27,792	28,441	28,362

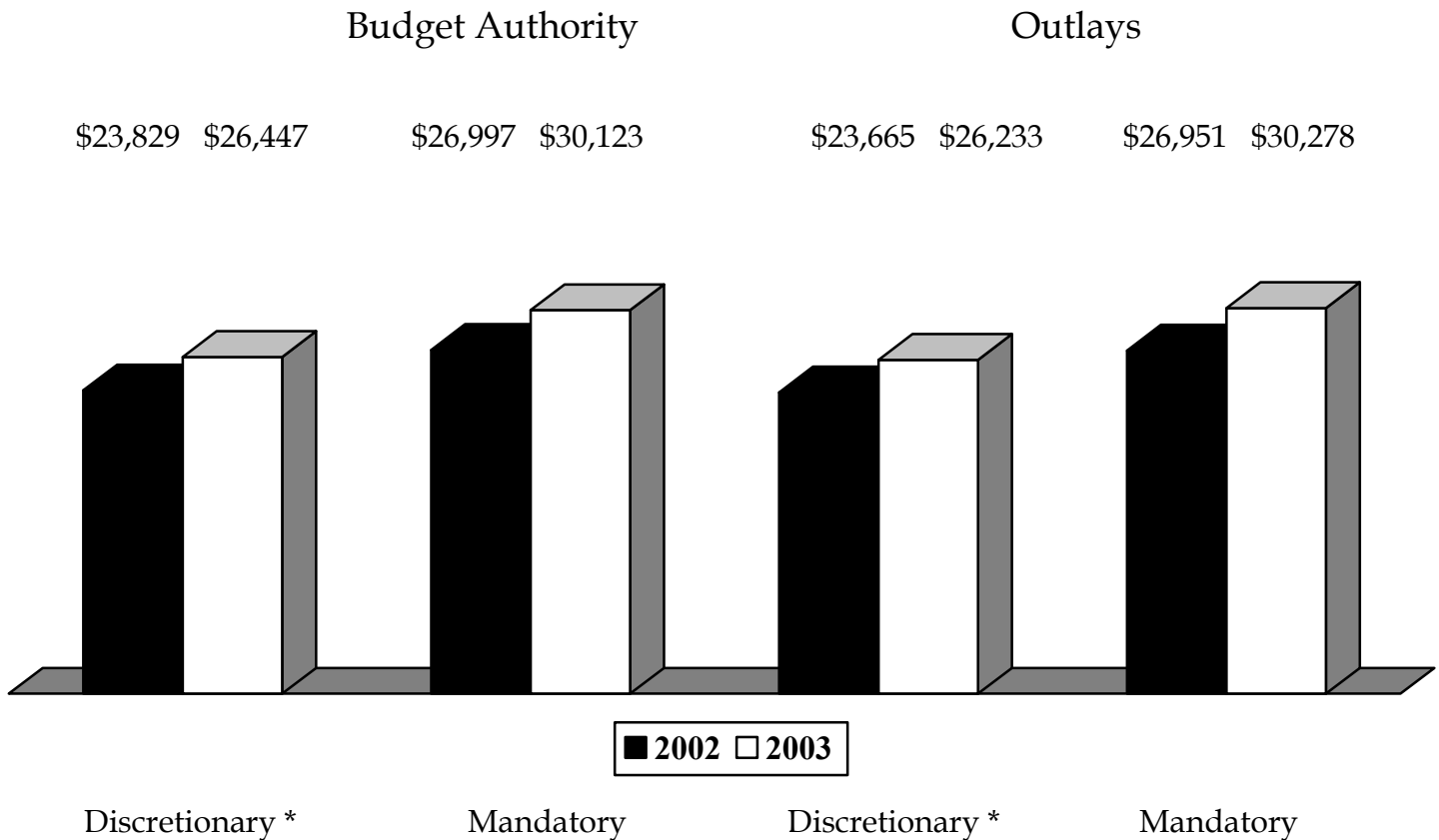
Department of Veterans Affairs
Discretionary and Mandatory Programs Funding for 2003 - 2007
(dollars in millions)

With the Benefits Accrual Included ^{1/}	2003		2004		2005		2006		2007	
	(BY)		(BY+1)		(BY+2)		(BY+3)		(BY+4)	
	BA	Outlay	BA	Outlay	BA	Outlay	BA	Outlay	BA	Outlay
Proprietary receipts										
Medical care collections fund										
Medical care collections fund - First party collections	-192	-192	-204	-204	-204	-204	-197	-197	-198	-198
Medical care collections fund - Third party collections	-529	-529	-700	-700	-770	-770	-847	-847	-916	-916
Medical care collections fund - Deductibles	-363	-363	-381	-381	-400	-400	-420	-420	-441	-441
Subtotal, Proprietary receipts	-1,084	-1,084	-1,285	-1,285	-1,374	-1,374	-1,464	-1,464	-1,555	-1,555
Total, Discretionary Programs	26,447	26,234	26,798	26,699	27,309	27,182	27,867	27,744	28,441	28,314
^{1/} The Administration is proposing that Agencies pay the full cost of the accrual for CSRS and FEHB in 2003. This chart reflects the comparable effects in 2003 through 2007.										
Mandatory Programs										
Veterans Benefits Administration										
Compensation and pensions	26,246	26,166	27,283	27,196	28,230	30,533	29,133	29,132	29,994	27,457
Proposed COLA increase	279	255	715	677	1,207	1,267	1,748	1,747	2,304	2,109
Proposed legislation - other	0	0	-6	-6	-6	-6	-6	-6	-6	-6
Total Compensation	26,525	26,421	27,992	27,867	29,431	31,794	30,875	30,873	32,292	29,560
Readjustment benefits	2,265	2,557	2,680	2,680	2,796	2,821	2,924	2,910	3,051	3,017
Veterans insurance and indemnities	28	26	36	34	37	35	38	36	39	36
Veterans housing benefit program fund liquidating account	0	-2	0	0	0	0	0	-1	0	-1
Veterans housing benefit program fund program account	437	437	422	422	429	429	440	440	443	443
Guaranteed transitional housing loans for homeless veterans	0	5	0	13	0	16	0	11	0	3
Service-disabled veterans insurance fund	6	10	0	0	0	0	0	0	0	0
Veterans reopened insurance fund	21	21	24	23	25	25	26	26	27	28
Education loan revolving fund liquidating account	0	0	0	0	0	0	0	0	0	0
Servicemembers' group life insurance fund	0	0	0	0	0	1	0	0	0	0
Post-Vietnam era veterans education account	2	12	2	12	2	12	2	12	2	11
National service life insurance	1,282	1,271	1,271	1,262	1,258	1,252	1,250	1,247	1,234	1,234
U.S. Government life insurance	9	10	10	11	9	12	9	12	8	10
Veterans special life insurance fund	-9	-23	-3	-16	3	-10	7	-4	17	8
Subtotal, Veterans Benefits Administration	30,566	30,745	32,434	32,308	33,990	36,387	35,571	35,562	37,113	34,349

<p align="center">Department of Veterans Affairs Discretionary and Mandatory Programs Funding for 2003 - 2007 (dollars in millions)</p>										
With the Benefits Accrual Included ^{1/}	2003 (BY)		2004 (BY+1)		2005 (BY+2)		2006 (BY+3)		2007 (BY+4)	
	BA	Outlay	BA	Outlay	BA	Outlay	BA	Outlay	BA	Outlay
Veterans Health Administration										
Veterans health service improvement - Medical care	365	352	394	392	394	394	451	445	451	451
Veterans extended care revolving fund	0	0	0	0	0	0	0	0	0	0
Medical facilities revolving fund	0	0	0	0	0	1	0	1	0	1
Special therapeutic and rehabilitation activities fund	0	-2	0	-2	0	-2	0	-2	0	-2
Canteen service revolving fund	0	2	0	0	0	0	0	0	0	0
General post fund	37	33	38	34	38	32	39	33	40	34
Subtotal, Veterans Health Administration	402	384	432	424	432	425	490	477	491	484
Veterans Health Administration - Proprietary receipts										
Veterans health services improvement										
Pharmaceutical co-payments	-364	-364	-393	-393	-393	-393	-450	-450	-450	-450
Enhanced-use lease proceeds	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1
Subtotal, Veterans Health Administration - Receipts	-365	-365	-394	-394	-394	-394	-451	-451	-451	-451
Subtotal, Veterans Health Administration	37	19	38	30	38	31	39	26	40	33
Departmental Administration										
Pershing Hall revolving fund	0	0	0	0	0	0	0	0	0	0
Supply fund	0	0	0	0	0	0	0	0	0	0
Franchise fund	0	-4	-3	0	0	0	0	0	0	0
National cemetery gift fund	0	0	0	0	0	0	0	0	0	0
Subtotal, Departmental Administration	0	-4	-3	0	0	0	0	0	0	0
Proprietary receipts										
GI Bill	-196	-196	-205	-205	-215	-215	-226	-226	-248	-248
Veterans housing benefit program, negative subsidies	-98	-98	-104	-104	-111	-111	-120	-120	-120	-120
National service life insurance fund	-184	-184	-170	-170	-154	-154	-139	-139	-125	-125
Post-Vietnam era veterans education account	0	0	0	0	0	0	0	0	0	0
Subtotal, Proprietary receipts	-478	-478	-479	-479	-480	-480	-485	-485	-493	-493
Intragovernmental transactions										
National service life insurance fund	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2
Post-Vietnam era veterans education account	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2
Subtotal, Intragovernmental transactions	-4	-4	-4	-4	-4	-4	-4	-4	-4	-4
Total, Mandatory Programs	30,121	30,278	31,986	31,855	33,544	35,934	35,121	35,099	36,656	33,885
Total, Department Veterans Affairs	\$56,568	\$56,512	\$58,784	\$58,554	\$60,853	\$63,116	\$62,988	\$62,843	\$65,097	\$62,199

Department of Veterans Affairs

Discretionary and Mandatory Programs Chart (dollars in millions)



The Administration is proposing that Agencies pay the full cost of the accrual for CSRS and FEHB in 2003. This chart reflects the costs of the accrual only in 2003.

Department of Veterans Affairs
Discretionary and Mandatory Programs Funding and Average Employment for 2001 - 2003
(dollars in thousands)

With Benefits Accrual in 2003 Only ^{1/}	2001			2002			2003			Change			Percentage Change		
	(PY)			(CY)			(BY)			(BY - CY)			[(BY - CY)/CY]		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
Discretionary Programs															
Veterans Health Administration (VHA)															
Medical care	\$20,235,705	\$20,212,631	182,946	\$21,331,164	\$21,324,818	181,500	\$23,537,183	\$23,612,157	181,331	\$2,206,019	\$2,287,340	-169	10.34%	10.73%	-0.09%
Transfers to other accounts	-53,495	-53,495		-1,086	-1,086		0	0		1,086	1,086		0.00%	0.00%	0.00%
Medical care collections fund	767,687	767,687		805,000	785,224		1,083,874	936,071		278,874	150,847		34.64%	19.21%	
Total Medical care	20,949,897	20,926,823	182,946	22,135,078	22,108,956	181,500	24,621,057	24,548,228	181,331	2,485,979	2,439,272	-169	11.23%	11.03%	-0.09%
Medical and prosthetic research	350,228	339,056	3,019	371,000	364,739	2,983	409,075	402,334	3,167	38,075	37,595	184	10.26%	10.31%	6.17%
Medical administration & miscellaneous operating expenses (MAMOE)	61,780	64,473	528	66,731	66,236	545	77,214	76,887	545	10,483	10,651	0	15.71%	16.08%	0.00%
Subtotal, VHA	21,361,905	21,330,352	186,493	22,572,809	22,539,931	185,028	25,107,346	25,027,449	185,043	2,534,537	2,487,518	15	11.23%	11.04%	0.01%
Veterans Benefits Administration															
Native American veterans housing loan program account	0	116		0	254		0	0		0	-254		0	-100.00%	
Education loan program account	1	1		1	1		1	1		0	0		0	0	
Vocational rehabilitation program account	47	47		71	71		55	55		-16	-16		-22.54%	-22.54%	
Grants for veterans employment - Program	0	0		0	0		177,000	159,300		177,000	159,300		0.00%	0.00%	0.00%
Subtotal, Veterans Benefits Administration	48	164		72	326		177,056	159,356		176,984	159,030		245811.14%	48782.22%	
Construction Programs															
Construction, major projects	65,895	178,846	21	183,180	106,692	50	193,740	114,331	50	10,560	7,639	0	5.76%	7.16%	
Construction, minor projects	165,974	156,774	43	210,900	176,703	80	210,700	194,197	80	-200	17,494	0	-0.09%	9.90%	
Grants for the construction of state extended care facilities	99,780	60,482	0	100,000	91,457	0	100,000	94,717	0	0	3,260		0.00%	3.56%	
Grants for construction of state veterans	24,945	20,347		25,000	21,167		32,000	24,984		7,000	3,817		...	18.03%	
Parking revolving fund	6,486	4,814		4,000	2,738		0	3,976		-4,000	1,238		...	45.22%	
Nursing home revolving fund	0	158		0	0		0	0		0	0		
Total, Construction Programs	363,080	421,421	64	523,080	398,757	130	536,440	432,205	130	13,360	33,448	0	2.55%	8.39%	
Departmental Administration															
Veterans Benefits Administration (VBA)	844,043	818,984	12,152	955,352	950,058	13,014	1,038,790	1,032,032	13,139	83,438	81,973	125	8.73%	8.63%	0.96%
Veterans housing benefit program fund program	157,239	157,239		160,084	160,084		170,735	170,735		10,651	10,651		6.65%	6.65%	
Native American veterans housing loan program	514	514		526	526		547	547		21	21		3.99%	3.99%	
Education loan program account	220	220		64	64		71	71		7	7		10.94%	10.94%	
Vocational rehabilitation program account	431	431		274	274		293	293		19	19		6.93%	6.93%	
Subtotal, Credit Reform (VBA)	158,404	158,404		160,948	160,948		171,646	171,646		10,698	10,698		6.65%	6.65%	
Subtotal, VBA with Credit	1,002,447	977,387	12,152	1,116,300	1,111,006	13,014	1,210,436	1,203,678	13,139	94,136	92,671	125	8.43%	8.34%	0.96%
Grants for veterans employment - Administrative	0	0	0	0	0	0	20,000	20,000	199	20,000	20,000	199	0.00%	0.00%	0.00%
Total, VBA	1,002,447	977,387	12,152	1,116,300	1,111,006	13,014	1,230,436	1,223,678	13,338	114,136	112,671	324	10.22%	10.14%	2.49%
General Administration	256,426	252,717	2,555	243,462	243,758	2,773	277,975	274,692	2,795	34,513	30,934	22	14.18%	12.69%	0.79%
Office of the Secretary	7,379		59	5,541		64	5,998		68	457	0	4	8.25%		6.25%
Board of Contract Appeals	1,369		11	1,403		11	1,564		11	161	0	0	11.48%		0.00%
Board of Veterans Appeals	44,225		455	47,244		464	51,246		451	4,002	0	-13	8.47%		-2.80%
General Counsel	47,978		654	51,233		697	56,893		687	5,660	0	-10	11.05%		-1.43%
AS for Management	28,081		227	29,959		285	41,499		287	11,540	0	2	38.52%		0.70%
AS for Information and Technology	21,455		175	23,690		194	27,752		226	4,062	0	32	17.15%		16.49%
AS for Human Resources & Administration	80,864		815	49,857		823	54,551		823	4,694	0	0	9.41%		0.00%
AS for Policy and Planning	13,149		59	12,909		65	16,037		65	3,128	0	0	24.23%		0.00%
Office of Operations and Preparedness	0			6,016		41	7,389		50	1,373	0	9	0.00%		21.95%
Emergency Supplemental	0			2,000			0			-2,000	0	0	-100.00%		#DIV/0!
AS for Public and Intergovernmental Affairs	7,784		68	9,636		86	10,458		85	822	0	-1	8.53%		-1.16%
AS for Congressional and Legislative Affairs	3,550		34	3,974		43	4,588		42	614	0	-1	15.45%		-2.33%
Carryover	592														

Department of Veterans Affairs
Discretionary and Mandatory Programs Funding and Average Employment for 2001 - 2003
(dollars in thousands)

With Benefits Accrual in 2003 Only ^{1/}	2001			2002			2003			Change			Percentage Change		
	(PY)			(CY)			(BY)			(BY - CY)			[(BY - CY)/CY]		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
Credit Reform															
Veterans housing benefit program fund program	4,404	4,404		4,413	4,413		4,942	4,942		529	529		11.99%	11.99%	
Native American veterans housing loan program	17	17		18	18		18	18		0	0		0	0	
Subtotal, Credit Reform (General Counsel)	4,421	4,421		4,431	4,431		4,960	4,960		529	529		11.94%	11.94%	
Subtotal, General Administration with Credit	260,847	257,138	2,555	247,893	248,189	2,773	282,935	279,652	2,795	35,042	31,463	22	14.14%	12.68%	0.79%
Total, General Operating Expenses (GOE)	1,100,469	1,071,700	14,707	1,198,814	1,193,817	15,787	1,316,765	1,306,724	15,934	117,951	112,907	346	9.84%	9.46%	2.19%
Total, Credit Reform - Administrative	162,825	162,825		165,379	165,379		176,606	176,606		11,227	11,227		6.79%	6.79%	
National Cemetery Administration	109,137	103,351	1,385	121,169	119,944	1,460	138,323	137,090	1,519	17,154	17,146	59	14.16%	14.29%	4.04%
Office of Inspector General	46,256	47,236	370	52,308	51,703	429	58,338	57,735	426	6,030	6,032	-3	11.53%	11.67%	-0.70%
Subtotal, Departmental Administration	1,418,687	1,385,112	16,462	1,537,670	1,530,842	17,676	1,710,032	1,698,154	18,078	172,362	167,312	601	11.21%	10.93%	3.40%
Total, Discretionary Program w/o Collections	22,376,033	22,369,362		23,828,631	23,684,632		26,447,000	26,381,093		2,618,369	2,696,461		10.99%	11.38%	
Total, Discretionary Program with Collections	23,143,720	23,137,049		24,879,631	24,715,856		27,935,874	27,708,264		2,883,883	2,813,860		11.59%	11.38%	
Proprietary Receipts															
Medical Care Collections Fund (MCCF)	-770,804	-770,804								0	0		0.00%	0.00%	
MCCF - First party collections				-228,000	-228,000		-192,000	-192,000		36,000	36,000		-15.79%	-15.79%	
MCCF - Third party collections				-577,000	-577,000		-529,000	-529,000		48,000	48,000		-8.32%	-8.32%	
MCCF - Deductibles					0		-362,874	-362,874		-362,874	-362,874		0.00%	0.00%	
Subtotal, Proprietary Receipts	-770,804	-770,804		-805,000	-805,000		-1,083,874	-1,083,874		-278,874	-278,874		34.64%	34.64%	
Total, Discretionary Programs	\$22,372,916	\$22,366,245	203,018	\$23,828,631	\$23,664,856	202,834	\$26,447,000	\$26,233,290	203,251	\$2,618,369	\$2,568,434	616	10.99%	10.85%	0.30%

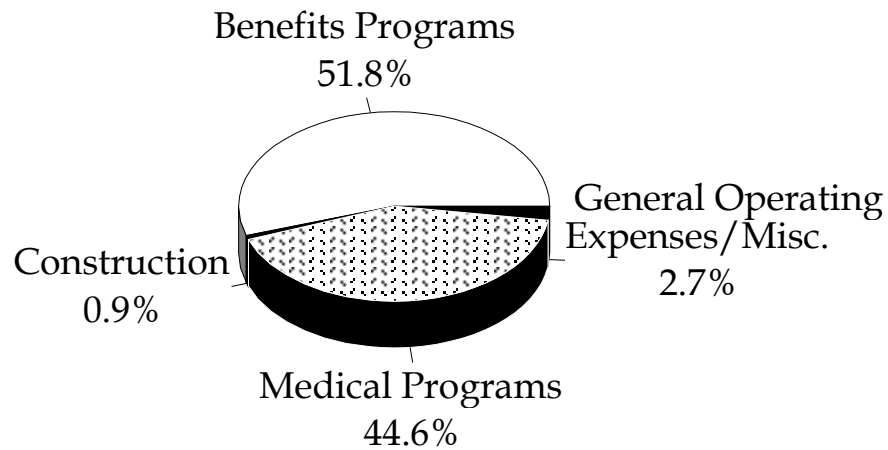
^{1/} The Administration is proposing that Agencies pay the full cost of the accrual for CSRS and FEHB in 2003. This chart reflects the cost of the accrual only in 2003.

Mandatory Programs														
Veterans Benefits Administration														
Compensation and pensions	23,355,690	21,419,720	24,944,288	24,905,643		26,245,340	26,165,908		1,301,052	1,260,265		5.22%	5.06%	
Proposed 1.8 Percent COLA increase in 12/1/2002			0	0		278,960	254,880		278,960	254,880		0.00%	0.00%	
Total Compensation and pensions	23,355,690	21,419,720	24,944,288	24,905,643		26,524,300	26,420,788		1,580,012	1,515,145		6.33%	6.08%	
Readjustment benefits	1,981,000	1,608,226	2,135,000	2,222,900		2,264,808	2,557,300		129,808	334,400		6.08%	15.04%	
Reinstated entitlement program for survivors	0	-2,130	0	0		0	0		0	0		0.00%	0.00%	
Veterans insurance and indemnities	24,393	24,484	26,703	26,913		27,530	27,530		827	617		3.10%	2.29%	
Veterans housing benefit program fund liquidating	0	-3,965	0	-47,353		0	-2,234		0	45,119		0.00%	-95.28%	
Veterans housing benefit program fund program	335,872	335,872	754,045	754,045		437,522	437,522		-316,523	-316,523		-41.98%	-41.98%	
Guaranteed transitional housing loans for homeless veterans	0	0	0	0		0	4,777		0	4,777		0.00%	0.00%	
Service-disabled veterans insurance fund	7,609	7,933	7,262	8,840		7,150	7,160		-112	-1,680		-1.54%	-19.00%	
Veterans reopened insurance fund	13,216	11,707	18,587	17,650		20,887	20,400		2,300	2,750		12.37%	15.58%	
Education loan revolving fund liquidating account	0	-49	0	-73		0	-63		0	10		0.00%	-13.70%	
Servicemembers' group life insurance fund	-596	-330	-60	-240		670	490		730	730		-1216.67%	-304.17%	
Post-Vietnam era veterans education account	3,552	14,402	1,949	12,299		2,188	11,900		239	-399		12.26%	-3.24%	
National service life insurance	1,239,233	1,221,445	1,272,393	1,257,599		1,282,980	1,271,190		10,587	13,591		0.83%	1.08%	
U.S. Government life insurance	10,579	10,866	10,310	11,740		9,500	10,930		-810	-810		-7.86%	-6.90%	
Veterans special life insurance fund	-26,520	-46,643	-18,850	-36,134		-9,240	-23,150		9,610	12,984		-50.98%	-35.93%	
Subtotal, Veterans Benefits Administration	26,944,028	24,601,538	29,151,627	29,133,829		30,568,295	30,744,540		1,416,668	1,610,711		4.86%	5.53%	

Department of Veterans Affairs
Discretionary and Mandatory Programs Funding and Average Employment for 2001 - 2003
(dollars in thousands)

With Benefits Accrual in 2003 Only ^{1/}	2001 (PY)			2002 (CY)			2003 (BY)			Change (BY - CY)			Percentage Change [(BY - CY)/CY]		
	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE	BA	Outlay	FTE
Veterans health service improvement - Medical care	0	0		226,000	203,400		365,000	351,100		139,000	147,700		61.50%	72.62%	
Special therapeutic and rehabilitation activities fund	0	-1,317		0	-1,351		0	-1,385		0	-34		0	2.52%	
Canteen service revolving fund	0	5,948	2,933	0	1,500	3,025	0	521	3,000	0	-979	-25	0	-65.27%	
Veterans extended care revolving fund				0	0		0	0		0	0		0.00%	0.00%	
Medical facilities revolving fund	0	713		0	585		0	576		0	-9		0	-1.54%	
General post fund	35,295	31,910		36,213	32,740		36,466	32,969		253	229		0.70%	0.70%	
Subtotal, Veterans Health Administration	35,295	37,254	2,933	262,213	236,874	3,025	401,466	383,781	3,000	139,253	146,907	-25	53.11%	62.02%	
Veterans Health Administration Proprietary receipts															
Veterans health services improvement															
Pharmaceutical co-payments				-225,000	-225,000		-364,000	-364,000		-139,000	-139,000		61.78%	61.78%	
Enhanced-use lease proceeds				-1,000	-1,000		-1,000	-1,000		0	0		0.00%	0.00%	
Subtotal, VHA Receipts	0	0		-226,000	-226,000		-365,000	-365,000		-139,000	-139,000	0	0.00%	0.00%	
Subtotal, Veterans Health Administration	35,295	37,254	2,933	36,213	10,874	3,025	36,466	18,781	3,000	253	7,907	-25	0.70%	72.71%	-0.83%
Departmental Administration															
Pershing Hall revolving fund	-250	-446		-250	0		-250	0		0	0		0.00%	0.00%	
Supply fund	0	-48,909	361	0	0	387	0	0	391	0	0	4	0.00%	0.00%	1.03%
Franchise fund	0	-7,060	636	0	-3,000	740	0	-4,000	740	0	-1,000	0	0.00%	0.00%	0.00%
National cemetery gift fund	98	92		100	100		100	100		0	0		0.00%	0.00%	
Subtotal, Departmental Administration	-152	-56,323	997	-150	-2,900	1,127	-150	-3,900	1,131	0	-1,000	4	0	0	0.35%
Veterans Benefits Administration Proprietary receipts															
GI Bill	-285,877	-285,877		-192,094	-192,094		-196,334	-196,334		-4,240	-4,240		2.21%	2.21%	
National service life insurance fund	-202,081	-202,081		-197,960	-197,960		-183,710	-183,710		14,250	14,250		-7.20%	-7.20%	
Post-Vietnam era veterans education account	-1,477	-1,477		-646	-646		-185	-185		461	461		-71.36%	-71.36%	
Downward Reestimates:															
Veterans housing benefit fund guaranteed loan program	-1,149,146	-1,149,146		-697,920	-697,920		0	0		697,920	697,920		-100.00%	-100.00%	
Veterans housing benefit fund loan sale securities program	-107,988	-107,988		-29,424	-29,424		0	0		29,424	29,424		-100.00%	-100.00%	
Veterans housing benefit fund direct loan program	-162,663	-162,663		-1,068,328	-1,068,328		-97,583	-97,583		970,745	970,745		-90.87%	-90.87%	
Native American veterans program account				-1,916	-1,916		0	0		1,916	1,916		-100.00%	-100.00%	
Subtotal, Proprietary receipts	-1,909,232	-1,909,232		-2,188,288	-2,188,288		-477,812	-477,812		1,710,476	1,710,476		-78.17%	-78.17%	
Intragovernmental transactions															
National service life insurance fund	-1,453	-1,453		-1,490	-1,490		-1,530	-1,530		-40	-40		2.68%	2.68%	
Post-Vietnam era veterans education account	-1,010	-1,010		-1,303	-1,303		-2,003	-2,003		-700	-700		53.72%	53.72%	
Subtotal, Intragovernmental transactions	-2,463	-2,463		-2,793	-2,793		-3,533	-3,533		-740	-740		-26.49%	-26.49%	
Total, Mandatory Programs	25,067,476	22,670,774	3,930	26,996,609	26,950,722	4,152	30,123,266	30,278,076	4,131	3,126,657	3,327,354	-21	11.58%	12.35%	-0.51%
Total, Department Veterans Affairs	\$47,440,392	\$45,037,019	206,948	\$50,825,240	\$50,615,578	206,986	\$56,570,266	\$56,511,366	207,382	\$5,745,026	\$5,895,788	595	11.30%	11.65%	0.29%

2003 Appropriation Request



Amount of 2003 Appropriation Request
(Includes Benefits Accrual)
(dollars in thousands)

Benefits programs	\$29,627,822
Medical programs (includes medical care collection funds)	25,472,346
Construction programs	536,440
General operating expenses and miscellaneous	1,513,426
Total appropriations	\$57,150,034

Appropriations ^{1/}
(dollars in thousands)

Appropriation/Fund Account	2001	2002	2003	Increase (+) Decrease (-)
Federal funds:				
Benefit programs:				
Compensations and pensions	\$23,355,690	\$24,944,288	\$26,245,340	\$1,301,052
Proposed 1.8 Percent COLA increase in 12/1/2002	0	0	278,960	278,960
Readjustment benefits	1,981,000	2,135,000	2,264,808	129,808
Veterans insurance and indemnities	19,850	26,200	27,530	1,330
Veterans housing benefit program, current	161,643	164,497	175,677	11,180
Veterans housing benefit program, current, indefinite	335,872	754,045	437,522	-316,523
Native American veteran housing loan program account	531	544	565	21
Guaranteed transitional housing loans for homeless veterans	0	0	0	0
Education loan program account	221	65	72	7
Vocational rehabilitation loans program account	478	345	348	3
Grants for veterans employment - proposed legislation			197,000	197,000
Total benefit programs	25,855,285	28,024,984	29,627,822	1,602,838
Medical programs:				
Medical care	20,235,705	21,331,164	23,537,183	2,206,019
Transfers out	-53,495	-1,086	0	1,086
Veterans health services improvement collections	0	226,000	365,000	139,000
Transfer from Medical care collections fund	767,687	805,000	1,083,874	278,874
Subtotal Medical care	20,949,897	22,361,078	24,986,057	2,624,979
Medical and prosthetic research	350,228	371,000	409,075	38,075
Medical administration and miscellaneous operating expenses	61,864	66,731	77,214	10,483
Transfer out	-84	0	0	0
Total medical programs	21,361,905	22,798,809	25,472,346	2,673,537
Construction programs:				
Construction, major projects	65,895	183,180	193,740	10,560
Construction, minor projects	170,474	210,900	210,700	-200
Transfers out	-4,500	0	0	0
Grants for construction of State extended care facilities	99,780	100,000	100,000	0
Grants for the construction of State veterans cemeteries	24,945	25,000	32,000	7,000
Parking revolving fund (includes transfers)	6,486	4,000	0	-4,000
Total construction programs	363,080	523,080	536,440	13,360
General operating expenses & Miscellaneous:				
General operating expenses	1,048,511	1,197,728	1,316,765	119,037
Transfers in	51,958	1,086	0	-1,086
Subtotal General operating expenses	1,100,469	1,198,814	1,316,765	117,951
Office of Inspector General	46,362	52,308	58,338	6,030
Transfers out	-106	0	0	0
National cemetery administration	109,865	121,169	138,323	17,154
Transfers out	-728	0	0	0
Total GOE & Miscellaneous	1,255,862	1,372,291	1,513,426	141,135

Appropriation-Reconciliation ^{1/}

(dollars in thousands)

Appropriation/Fund Account	2001	2002	2003
Compensations and pensions, appropriation	\$22,766,277	\$24,944,288	\$26,245,340
Proposed 1.8 Percent COLA increase in 12/1/2002			278,960
Supplemental	589,413		
Appropriation, adjusted	23,355,690	24,944,288	26,524,300
Readjustment benefits, appropriation	1,634,000	2,135,000	2,264,808
Supplemental	347,000		
Appropriation, adjusted	1,981,000	2,135,000	2,264,808
Veterans insurance and indemnities, appropriation	19,850	26,200	27,530
Fluctuations in estimated S-DVI obligations	4,543	503	0
Appropriation, adjusted	24,393	26,703	27,530
Veterans housing benefits program fund			
liquidating account, current	0	0	0
Veterans housing benefit program fund	162,000	164,497	168,179
CSRS and FEHB retirement accrual			7,498
Rescission, Public Law 106-554	-357	0	0
Current, indefinite	335,872	754,045	437,522
Appropriation, adjusted	497,515	918,542	613,199
Native American veteran housing loan program			
account, appropriation	532	544	558
CSRS and FEHB retirement accrual			7
Rescission, Public Law 106-554	-1	0	0
Appropriation, adjusted	531	544	565
Grants for veterans employment			
Proposed legislation	0	0	197,000
Education loan fund program account, appropriation	221	65	71
CSRS and FEHB retirement accrual			1
Rescission, Public Law 106-554	0	0	0
Appropriation, adjusted	221	65	72
Vocational rehabilitation loan program			
account, appropriation	479	345	344
CSRS and FEHB retirement accrual			4
Rescission, Public Law 106-554	-1	0	0
Appropriation, adjusted	478	345	348
Medical care, appropriation	20,281,587	21,331,164	23,888,882
Priority 7 veteran \$1,500 cost share deductible			-1,145,121
CSRS retirement accrual			251,515
FEHB retirement accrual			541,907
Transfer to general operating expenses, appropriation	-51,040	-1,086	0
Transfer to General services administration,			
Public Law 106-58	-455	0	0
Transfer to parking revolving fund, appropriation	-2,000	0	0
Transfer from medical care collections fund, receipts	767,687	805,000	1,083,874
Veterans health services improvement collections		226,000	365,000
Rescission, Public Law 106-554	-45,882	0	0
Appropriation, adjusted	20,949,897	22,361,078	24,986,057

^{1/}The Administration is proposing that agencies pay the full cost of the accrual for CSRS and FEHB in 2003. This chart reflects the cost of the accrual only in 2003.

<i>Appropriation-Reconciliation</i> ^{1/} (dollars in thousands)			
Appropriation/Fund Account	2001	2002	2003
Medical and prosthetic research, appropriation	351,000	371,000	394,373
CSRS retirement accrual			6,258
FEHB retirement accrual			8,444
Rescission, Public Law 106-554	-772	0	0
Appropriation, adjusted	350,228	371,000	409,075
Medical administration and miscellaneous operating expenses (MAMOE), appropriation	62,000	66,731	69,716
CSRS retirement accrual			5,907
FEHB retirement accrual			1,591
Transfer to general operating expenses, appropriation	-84	0	0
Rescission, Public Law 106-554	-136	0	0
Appropriation, adjusted	61,780	66,731	77,214
Construction, major projects, appropriation	66,040	183,180	193,740
Rescission, Public Law 106-554	-145	0	0
Appropriation, adjusted	65,895	183,180	193,740
Construction, minor projects, appropriation	170,840	210,900	210,700
Transfer to parking revolving fund, appropriation	-4,500	0	0
Rescission, Public Law 106-554	-366	0	0
Appropriation, adjusted	165,974	210,900	210,700
Grants for construction of State extended care cemeteries, appropriation	100,000	100,000	100,000
Rescission, Public Law 106-554	-220	0	0
Appropriation, adjusted	99,780	100,000	100,000
Grants for construction of State veterans cemeteries, appropriation	25,000	25,000	32,000
Rescission, Public Law 106-554	-55	0	0
Appropriation, adjusted	24,945	25,000	32,000
Parking revolving fund, appropriation	0	4,000	0
Transfer from medical care, appropriation	2,000	0	0
Transfer from construction, minor projects, appropriation	4,500	0	0
Rescission, Public Law 106-554	-14	0	0
Appropriation, adjusted	6,486	4,000	0
General operating expenses, appropriation	1,050,000	1,195,728	1,256,418
CSRS retirement accrual			26,627
FEHB retirement accrual			33,720
Transfer from medical care, appropriation	51,040	1,086	0
Transfer from MAMOE, appropriation	84	0	0
Transfer from national cemetery administration	728	0	0
Transfer from office of inspector general	106	0	0
Transfer from 2000 to 2001 - VBA	678	0	0
Transfer from 2000 to 2001 - General Administration	215	0	0
Emergency Supplemental, Public Law 107-117	0	2,000	0
Rescission, Public Law 106-554	-2,382	0	0
Appropriation, adjusted	1,100,469	1,198,814	1,316,765

^{1/}The Administration is proposing that agencies pay the full cost of the accrual for CSRS and FEHB in 2003. This chart reflects the cost of the accrual only in 2003.

Appropriation-Reconciliation ^{1/}
(dollars in thousands)

Appropriation/Fund Account	2001	2002	2003
National cemetery administration, appropriation	109,889	121,169	133,149
CSRS retirement accrual			1,492
FEHB retirement accrual			3,682
Transfer to general operating expenses, appropriation	-728	0	0
Transfer from Dept. of Treasury, Public Law 107-38	217	0	0
Rescission, Public Law 106-554	-241	0	0
Appropriation, adjusted	109,137	121,169	138,323
Office of Inspector General, appropriation	46,464	52,308	55,000
CSRS retirement accrual			2,087
FEHB retirement accrual			1,251
Transfer to general operating expenses, appropriation	-106	0	0
Rescission, Public Law 106-554	-102	0	0
Appropriation, adjusted	46,256	52,308	58,338
Department of Veterans Affairs, appropriations, adjusted	\$48,840,675	\$52,719,667	\$57,150,033

^{1/}The Administration is proposing that agencies pay the full cost of the accrual for CSRS and FEHB in 2003. This chart reflects the cost of the accrual only in 2003.

2003 Appropriations Language Changes

Compensation and Pensions

- Includes language that would eliminate any potential funding shortages by providing “such sums as may be necessary” for payment of benefits and provide for any cost-of-living adjustment authorized by 38 U.S.C. 1104.

Readjustment Benefits

- Includes language that would eliminate any potential funding shortages by providing “such sums as may be necessary” for payment of benefits.

Veterans Insurance and Indemnities

- Includes language that would eliminate any potential funding shortages by providing “such sums as may be necessary” for payment of benefits.

Native American Veterans Housing Loan Program Account

- Includes language providing no new loans in excess of \$5,000,000 may be made in fiscal year 2003.

Additional Authorizing Language Included in All Discretionary Programs With Salary and Expense Accounts - Full Funding of Federal Employee Retirement Costs and Health Benefits

- Additional authorizing language is being submitted to have agencies pay for the full cost of the accrual of the Civil Service Retirement Systems (CSRS) and Federal Employee Health Benefits (FEHB) program. This proposal will correct a long-standing understatement of the true cost of CSRS and FEHB. For some time, a portion of CSRS, other small retirement systems, and all civilian and military retiree health benefits has been charged to central accounts. The full cost of accruing benefits should be allocated to the affected salary and expense accounts so that budget choices for agency managers are not distorted.
- The 2003 budget request includes the amounts associated with shifting these costs from central accounts to the program accounts starting in 2003 (President’s Budget shows the costs in 2001 and 2002 as well for comparative purposes only). The shift will reduce reported costs from the central

mandatory accounts and increase reported costs in the affected discretionary accounts. Consequently, the proposal does not increase or decrease total budget outlays government wide and would allow these costs to be properly reported in the budget for the first time.

Medical Care:

- Delay of \$500,000,000 in the equipment and land and structures object classifications until August 1, 2003.
- Exclusion of the designation of \$15,000,000 for non-recurring maintenance associated with CARES activities that make those funds available until expended.

Medical Administration and Miscellaneous Operating Expenses:

- Language is requested which would provide authority to have five percent of the funding provided under this heading remain available for two fiscal years, until September 30, 2004. This change is requested provide greater flexibility in managing MAMOE resources.

of which \$3,861,000 shall be available until September 30, 2004.

Construction, Major Projects

- Decreases, to a level of \$5,000,000, that portion of the appropriation request for Capital Asset Realignment for Enhanced Services (CARES) activities.
- Adds language providing \$10,000,000 for reimbursement of the Judgment Fund.

\$10,000,000 shall be to make reimbursements as provided in 41 U.S.C. 612 for claims paid for contract disputes;

- Adds language changing the design and construction awards report dates.
By the awarding of a construction documents contract by September 30, 2003, and (2) by the awarding of a construction contract by September 30, 2004;

- Removes language identifying funding provided in 2002 for costs associated with land acquisitions for national cemeteries and for the blind and spinal cord injury center at the Hines VAMC. This language is not needed in the 2003 appropriation request.

[not to exceed \$20,000,000 shall be for costs associated with land acquisitions for national cemeteries in the vicinity of Sacramento, California; Pittsburgh,

Pennsylvania; and Detroit, Michigan: Provided, That of the amount made available under this heading for CARES activities, up to \$40,000,000 shall be for construction of a blind and spinal cord injury center at the Hines Veterans Affairs Medical Center pursuant to the Veterans Integrated Service Network (VISN) 12 CARES study, and construction of such center is hereby deemed authorized pursuant to title 38, United States Code; Provided further, That the amounts designated in the previous proviso shall be available for obligation only after the Secretary of Veterans Affairs has initiated all actions necessary to implement fully Option B of the July 19, 2001 VISN 12 Service Delivery Options after consulting with interested and affected parties, and has initiated Phase II of the CARES process]

Construction, Minor Projects

- Increases, to the level of \$35,000,000, that portion of the appropriation request for Capital Asset Realignment for Enhanced Services (CARES) activities.

General Operating Expenses

- Removes language providing additional travel. This language was added after the initial submission of the President's Budget to provide additional travel in 2002. This language is not needed in the 2003 appropriation request. [That travel expenses for this account shall not exceed \$15,665,000]

National Cemetery Administration

- Language is requested which would provide authority to have five percent of the funding provided under this heading remain available for two fiscal years, until September 30, 2004. This change is requested provide greater flexibility in managing NCA resources.
of which \$6,912,000 shall be available until September 30, 2004.

Office of Inspector General

- Language is requested which would provide authority to have five percent of the funding provided under this heading remain available for two fiscal years, until September 30, 2004. This change is requested provide greater flexibility in managing OIG resources.
of which \$2,917,000 shall be available until September 30, 2004.

Administrative Provisions (Employee Discrimination Complaints Process)

- Removes provision which allows transfer authority between entitlement accounts.

[SEC. 101. Any appropriation for fiscal year 2002 for “Compensation and pensions”, “Readjustment benefits”, and “Veterans insurance and indemnities” may be transferred to any other of the mentioned appropriations.]

- Language is requested to extend through September 30, 2003, for the authority under the Government Management Reform Act, P.L. 103-356, of 1994, for the franchise fund pilot program and to finance the operations as established by title I of P.L. 104-204.
- Language is requested to continue the authority to allow the operations for the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication to be funded through reimbursements from their customers.

General Provisions

- Removes language which requires committees approval. However, committee notification would continue to be required. The Administration is modifying Section 414 by deleting “unless the Secretary submits a report which” and “approve within 30 days following the date on which the report is received” with:

until 30 days after notice thereof is transmitted to

- The Administration requests amending 38 United States Code to establish a \$1,500 annual deductible for priority level seven veterans (non-disabled, higher-income). This legislative proposal is in response to the significant growth in enrollment over the last three years, as well as anticipated future growth.

SEC. 423. Title 38 of the United States Code is amended by adding the following new section 1722B:

“Deductible for certain veterans who do not have a service-connected disability and higher incomes”

“(a) Subject to subsection (d) of this section, the Secretary may not furnish care or services authorized by this chapter (other than by sections 1708, 1711 (a), 1712A, 1712B, 1718, 1720D, 1720E, to a veterans eligible for care under section 1710(a)(3), unless the veteran agrees to pay the United States an amount determined in subsection (b) of this section.

“b) A veteran who agrees to pay an amount under subsection (a) shall be liable to the United States for an amount equal to forty-five percent of the amount of the reasonable charges, established by the Secretary under section 1729(a)(1) for each specific type of care or service the veteran receives for which the Secretary has established a reasonable charge, up to a maximum of \$1500 in any calendar year.

“(c) A veteran shall not be liable to the United States for any amount under subsections (f) and (g) of section 1710, and subsection (c) of section 1710B for care or services for which the veteran agrees to pay the amount determined under subsection (b).

“(d) Amounts collected under this section shall be deposited in the Department of Veterans Affairs Medical Care Collections Fund.”

Budget Authority (Net) ^{1/}
(dollars in thousands)

Appropriation/Fund Account	2001	2002	2003	Increase (+) Decrease (-)
Federal funds:				
Benefit programs:				
Compensations and pensions	\$23,355,690	\$24,944,288	\$26,245,340	\$1,301,052
Proposed 1.8 Percent COLA increase in 12/1/2002	0	0	278,960	278,960
Readjustment benefits	1,981,000	2,135,000	2,264,808	129,808
Veterans insurance and indemnities	24,393	26,703	27,530	827
Veterans housing benefit program fund liquidating account	0	0	0	0
Veterans housing benefit program fund program account	497,515	918,542	613,199	-305,343
Guaranteed transitional housing loans for homeless veterans	0	0	0	0
Native American veteran housing loan program account	531	544	565	21
Education loan program account	221	65	72	7
Vocational rehabilitation loans program account	478	345	348	3
Grants for veterans employment - proposed legislation	0	0	197,000	197,000
Total benefit programs	25,859,828	28,025,487	29,627,822	1,602,335
Medical programs:				
Medical care	20,235,705	21,331,164	23,537,183	2,206,019
Transfers out	-53,495	-1,086	0	1,086
Veterans health services improvement collections	0	226,000	365,000	139,000
Medical care collections fund	767,687	805,000	1,083,874	278,874
Total Medical care	20,949,897	22,361,078	24,986,057	2,624,979
Medical and prosthetic research	350,228	371,000	409,075	38,075
Medical administration and miscellaneous operating expenses	61,780	66,731	77,214	10,483
Total medical programs	21,361,905	22,798,809	25,472,346	2,673,537
Construction programs:				
Construction, major projects	65,895	183,180	193,740	10,560
Construction, minor projects	165,974	210,900	210,700	-200
Grants for construction of State extended care facilities	99,780	100,000	100,000	0
Grants for the construction of State veterans cemeteries	24,945	25,000	32,000	7,000
Parking revolving fund	6,486	4,000	0	-4,000
Total construction programs	363,080	523,080	536,440	13,360
General operating expenses & Miscellaneous:				
General operating expenses	1,048,511	1,197,728	1,316,765	119,037
Transfers in	51,958	1,086	0	-1,086
Total General operating expenses	1,100,469	1,198,814	1,316,765	117,951
National cemetery administration	109,865	121,169	138,323	17,154
Transfers out	-728	0	0	0
Office of Inspector General	46,362	52,308	58,338	6,030
Transfers out	-106	0	0	0
Total GOE & Miscellaneous	1,255,862	1,372,291	1,513,426	141,135
Total appropriations, adjusted	48,840,675	52,719,667	57,150,034	4,430,367

Budget Authority (Net) ^{1/}
(dollars in thousands)

Appropriation/Fund Account	2001	2002	2003	Increase (+) Decrease (-)
Proprietary receipts from the public:				
GI Bill receipts	-285,877	-192,094	-196,334	-4,240
Downward reestimates:				
Veterans housing benefit fund guaranteed loan account	-1,149,146	-697,920	0	697,920
Veterans housing benefit fund loan sale securities	-107,988	-29,424	0	29,424
Veterans housing benefit fund direct loan account	-162,663	-1,068,328	-97,583	970,745
Native American veterans program account	0	-1,916	0	1,916
Medical care collections fund	-770,804	0	0	0
Medical care collections fund - First party collections	0	-228,000	-192,000	36,000
Medical care collections fund - Third party collections	0	-577,000	-529,000	48,000
Medical care collections fund - Deductibles	0	0	-362,874	-362,874
Veterans health services improvement				
Pharmaceutical co-payments	0	-225,000	-364,000	-139,000
Enhanced-use lease proceeds	0	-1,000	-1,000	0
Total proprietary receipts from the public	-2,476,478	-3,020,682	-1,742,791	1,277,891
Total federal funds	46,364,197	49,698,985	55,407,243	5,708,258
Trust funds:				
Post-Vietnam era veterans education account	3,552	1,949	2,188	239
General post fund	35,295	36,213	36,466	253
Pershing Hall revolving fund	-250	-250	-250	0
National service life insurance	1,239,233	1,272,393	1,282,980	10,587
U.S. Government life insurance	10,579	10,310	9,500	-810
Service-disabled veterans insurance fund	7,609	7,262	7,150	-112
Veterans reopened insurance fund	13,216	18,587	20,887	2,300
Veterans special life insurance fund	-26,520	-18,850	-9,240	9,610
Servicemembers' group life insurance fund	-596	-60	670	730
National cemetery gift fund	98	100	100	0
Total trust funds (gross)	1,282,216	1,327,654	1,350,451	22,797
Proprietary receipts from the public	-203,558	-198,606	-183,895	14,711
Post-Vietnam era veterans education account	-1,477	-646	-185	461
National service life insurance	-202,081	-197,960	-183,710	14,250
Total trust funds (net)	1,078,658	1,129,048	1,166,556	37,508
Intragovernmental transactions	-2,463	-2,793	-3,533	-740
Post-Vietnam era veterans education account	-1,010	-1,303	-2,003	-700
National service life insurance	-1,453	-1,490	-1,530	-40
Total Department of Veterans Affairs	\$47,440,392	\$50,825,240	\$56,570,266	\$5,745,026

^{1/}The Administration is proposing that agencies pay the full cost of the accrual for CSRS and FEHB in 2003. This chart reflects the cost of the accrual only in 2003.

Outlays (Net) ^{1/}
(dollars in thousands)

Appropriation/Fund Account	2001	2002	2003	Increase (+) Decrease (-)
Federal funds:				
Benefit programs:				
Compensation and pensions	\$21,419,720	\$24,905,643	\$26,165,908	\$1,260,265
Proposed 1.8 Percent COLA increase in 12/1/2002	0	0	254,880	254,880
Readjustment benefits	1,608,226	2,222,900	2,557,300	334,400
Veterans insurance and indemnities	24,484	26,913	27,530	617
Reinstated entitlement program for survivors	-2,130	0	0	0
Veterans housing benefit program fund liquidating account	-3,966	-47,353	-2,234	45,119
Veterans housing benefit program fund program account	497,515	918,542	613,199	-305,343
Guaranteed transitional housing loans for homeless veterans	0	0	4,777	4,777
Native American veteran housing loan program account	647	798	565	-233
Service-disabled veterans insurance fund	7,933	8,840	7,160	-1,680
Veterans reopened insurance fund	11,707	17,650	20,400	2,750
Education loan fund liquidating account	-49	-73	-63	10
Education loan fund program account	221	65	72	7
Vocational rehabilitation loans program account	478	345	348	3
Grants for veterans employment - proposed legislation			179,300	179,300
Servicemembers' group life insurance fund	-330	-240	490	730
Total benefit programs	23,564,456	28,054,030	29,829,632	1,775,602
Medical programs:				
Medical care	20,159,136	21,323,732	23,612,157	2,288,425
Veterans health services improvement collections	0	203,400	351,100	147,700
Transfers from Medical care collection fund	767,687	785,224	936,071	150,847
Subtotal medical care	20,926,823	22,312,356	24,899,328	2,586,972
Medical and prosthetic research	339,056	364,739	402,334	37,595
Medical administration and miscellaneous operating expenses	64,473	66,236	76,887	10,651
Veterans extended care revolving fund	0	0	0	0
Canteen service revolving fund	5,948	1,500	521	-979
Medical facilities revolving fund	713	585	576	-9
Special therapeutic and rehabilitation activities fund	-1,317	-1,351	-1,385	-34
Total medical programs	21,335,696	22,744,065	25,378,261	2,634,196
Construction programs:				
Construction, major projects	178,846	106,692	114,331	7,639
Construction, minor projects	156,774	176,703	194,197	17,494
Parking revolving fund	4,814	2,738	3,976	1,238
Grants for construction of State extended care facilities	60,482	91,457	94,717	3,260
Grants for the construction of State veterans cemeteries	20,347	21,167	24,984	3,817
Nursing home revolving fund	158	0	0	0
Pershing hall revolving fund	-446	0	0	0
Total construction programs	420,975	398,757	432,205	33,448

^{1/}The Administration is proposing that agencies pay the full cost of the accrual for CSRS and FEHB in 2003. This chart reflects the cost of the accrual only in 2003.

Outlays (Net) ^{1/}
(dollars in thousands)

Appropriation/Fund Account	2001	2002	2003	Increase (+) Decrease (-)
General operating expenses & Miscellaneous:				
General operating expenses	1,071,700	1,193,817	1,306,724	112,907
National cemetery administration	103,351	119,944	137,090	17,146
Office of Inspector General	47,236	51,703	57,735	6,032
Franchise fund	-7,060	-3,000	-4,000	-1,000
Supply fund	-48,909	0	0	0
Total GOE & Miscellaneous	1,166,318	1,362,464	1,497,549	135,085
Total appropriations & funds	46,487,445	52,559,316	57,137,647	4,578,331
Proprietary receipts from the public:				
GI Bill	-285,877	-192,094	-196,334	-4,240
Downward reestimates				
Veterans housing benefit fund guaranteed loan	-1,149,146	-697,920	0	697,920
Veterans housing benefit fund loan sale securities	-107,988	-29,424	0	29,424
Veterans housing benefit fund direct loan	-162,663	-1,068,328	-97,583	970,745
Native american veterans program account	0	-1,916	0	1,916
Medical care collections fund	-770,804	0	0	0
Medical care collections fund - First party collections	0	-228,000	-192,000	36,000
Medical care collections fund - Third party collections	0	-577,000	-529,000	48,000
Medical care collections fund - Deductibles	0	0	-362,874	-362,874
Veterans health services improvement				
Pharmaceutical co-payments	0	-225,000	-364,000	-139,000
Enhanced-use lease proceeds	0	-1,000	-1,000	0
Total proprietary receipts from the public	-2,476,478	-3,020,682	-1,742,791	1,277,891
Total federal funds	44,010,967	49,538,634	55,394,856	5,856,222
Trust funds:				
Post-Vietnam era veterans education account	14,402	12,299	11,900	-399
General post fund	31,910	32,740	32,969	229
National service life insurance	1,221,445	1,257,599	1,271,190	13,591
U.S. Government life insurance	10,866	11,740	10,930	-810
Veterans special life insurance	-46,643	-36,134	-23,150	12,984
National cemetery gift fund	92	100	100	...
Total trust funds (gross)	1,232,072	1,278,344	1,303,939	25,595
Proprietary receipts from the public	-203,558	-198,606	-183,895	14,711
Post-Vietnam era veterans education account	-1,477	-646	-185	461
National service life insurance	-202,081	-197,960	-183,710	14,250
Total trust funds (net)	1,028,514	1,079,738	1,120,044	40,306
Intragovernmental transactions	-2,463	-2,793	-3,533	-740
Post-Vietnam era veterans education account	-1,010	-1,303	-2,003	-700
National service life insurance	-1,453	-1,490	-1,530	-40
Total Department of Veterans Affairs	\$45,037,018	\$50,615,579	\$56,511,367	\$5,895,788

^{1/}The Administration is proposing that agencies pay the full cost of the accrual for CSRS and FEHB in 2003. This chart reflects the cost of the accrual only in 2003.

Functional Distribution of Budget Authority (Net) ^{1/}
(dollars in thousands)

Function and Program	2001	2002	2003	Increase (+) Decrease (-)
701: Income security for veterans:				
Compensation and pensions	\$23,355,690	\$24,944,288	\$26,245,340	\$1,301,052
Proposed 2.5 Percent COLA increase in 12/1/2001	0	0	278,960	278,960
Veterans insurance and indemnities	24,393	26,703	27,530	827
Service-disabled veterans insurance fund	7,609	7,262	7,150	-112
Veterans reopened insurance fund	13,216	18,587	20,887	2,300
National service life insurance	1,239,233	1,272,393	1,282,980	10,587
US Government life insurance	10,579	10,310	9,500	-810
Veterans special life insurance fund	-26,520	-18,850	-9,240	9,610
Servicemember's group life insurance fund	-596	-60	670	730
NSLI & USGLI receipts	-203,534	-199,450	-185,240	14,210
Subtotal, income security for veterans	24,420,070	26,061,183	27,678,537	1,617,354
702: Veterans education, training and rehabilitation:				
Readjustment benefits	1,981,000	2,135,000	2,264,808	129,808
Education loan program account	221	65	72	7
Vocational rehabilitation loans program account	478	345	348	3
Grants for veterans employment - proposed legislation	0	0	197,000	197,000
Post-Vietnam era veterans education account	3,552	1,949	2,188	239
Post-Vietnam era veterans education receipts	-2,487	-1,949	-2,188	-239
GI Bill receipts	-285,877	-192,094	-196,334	-4,240
Subtotal, veterans education, training and rehabilitation	1,696,887	1,943,316	2,265,894	322,578
703: Hospital & Medical Care for veterans:				
Medical care	20,235,705	21,331,164	23,537,183	2,206,019
Transfer to General Operating Expenses	-53,495	-1,086	0	1,086
Veterans health services improvement collections	0	226,000	365,000	139,000
Medical care collections fund	767,687	805,000	1,083,874	278,874
Medical and prosthetic research	350,228	371,000	409,075	38,075
Medical administration and miscellaneous operating expenses	61,780	66,731	77,214	10,483
Construction, major projects	65,895	183,180	193,740	10,560
Construction, minor projects	165,974	210,900	210,700	-200
Parking revolving fund	6,486	4,000	0	-4,000
Grants for construction of State extended care facilities	99,780	100,000	100,000	0
Medical care collections fund, receipts	-770,804	-805,000	-1,083,874	-278,874
Veterans health services improvement, receipts	0	-226,000	-365,000	-139,000
Subtotal, hospital and medical care for veterans	20,929,236	22,265,889	24,527,912	2,262,023
704: Veterans housing:				
Veterans housing benefit program fund liquidating account	0	0	0	0
Veterans housing benefit program fund program account	497,515	918,542	613,199	-305,343
Guaranteed transitional housing loans for homeless veterans	0	0	0	0
Downward reestimates:				
Veterans housing benefit guaranteed loan	-1,149,146	-697,920	0	697,920
Veterans housing benefit fund loan sale securities	-107,988	-29,424	0	29,424
Veterans housing benefit direct loan	-162,663	-1,068,328	-97,583	970,745
Native American veterans program account	0	-1,916	0	1,916
Native American veteran housing loan program account	531	544	565	21
Subtotal, veterans housing	-921,751	-878,502	516,181	1,394,683

<i>Functional Distribution of Budget Authority (Net) ^{1/}</i> (dollars in thousands)				
Function and Program	2001	2002	2003	Increase (+) Decrease (-)
705: Other veterans benefits and services:				
Grants for construction of State veterans cemeteries	24,945	25,000	32,000	7,000
General post fund	35,295	36,213	36,466	253
Pershing Hall revolving fund	-250	-250	-250	0
General operating expenses	1,100,469	1,198,814	1,316,765	117,951
National cemetery administration	109,137	121,169	138,323	17,154
Office of Inspector General	46,256	52,308	58,338	6,030
National cemetery gift fund	98	100	100	0
Subtotal, other veterans benefits and services	1,315,950	1,433,354	1,581,742	148,388
Total, function 700 distribution of Budget				
Authority for the Department of Veterans Affairs	47,440,392	50,825,240	56,570,266	5,745,026
Deduction for offsetting receipts (function 902)	-862,608	-835,448	-787,030	48,418
Total Department of Veterans Affairs	\$46,577,784	\$49,989,792	\$55,783,236	\$5,793,444
^{1/} The Administration is proposing that agencies pay the full cost of the accrual for CSRS and FEHB in 2003. This chart reflects the cost of the accrual only in 2003.				

Functional Distribution of Outlays^{1/}
(dollars in thousands)

Function and Program	2001	2002	2003	Increase (+) Decrease (-)
701: Income security for veterans:				
Compensation and pensions	\$21,419,720	\$24,905,643	\$26,165,908	\$1,260,265
Proposed legislation	0	0	254,880	254,880
Veterans insurance and indemnities	24,484	26,913	27,530	617
Reinstated entitlement program for survivors	-2,130	0	0	0
Service-disabled veterans insurance	7,933	8,840	7,160	-1,680
Veterans reopened insurance fund	11,707	17,650	20,400	2,750
Servicemembers' group life insurance fund	-330	-240	490	730
National service life insurance	1,221,445	1,257,599	1,271,190	13,591
U.S. Government life insurance	10,866	11,740	10,930	-810
Veterans special life insurance	-46,643	-36,134	-23,150	12,984
NSLI & USGLI receipts	-203,534	-199,450	-185,240	14,210
Subtotal, income security for veterans	22,443,518	25,992,561	27,550,098	1,557,537
702: Veterans education, training, and rehabilitation:				
Readjustment benefits	1,608,226	2,222,900	2,557,300	334,400
Education loan fund liquidating account	-49	-73	-63	10
Education loan fund program account	221	65	72	7
Vocational rehabilitation loans program account	478	345	348	3
Grants for veterans employment - proposed legislation	0	0	179,300	179,300
Post-Vietnam era veterans education account	14,402	12,299	11,900	-399
Post-Vietnam era veterans education receipts	-2,487	-1,949	-2,188	-239
GI Bill receipts	-285,877	-192,094	-196,334	-4,240
Subtotal, veterans education, training and rehabilitation	1,334,914	2,041,493	2,550,335	508,842
703: Hospital and medical care for veterans:				
Medical care	20,159,136	21,323,732	23,612,157	2,288,425
Veterans health services improvement collections		203,400	351,100	147,700
Transfers from Medical care collection fund	767,687	785,224	936,071	150,847
Subtotal medical care	20,926,823	22,312,356	24,899,328	2,586,972
Medical and prosthetic research	339,056	364,739	402,334	37,595
Medical administration and miscellaneous operating expenses	64,473	66,236	76,887	10,651
Construction, major projects	178,846	106,692	114,331	7,639
Construction, minor projects	156,774	176,703	194,197	17,494
Parking revolving fund	4,814	2,738	3,976	1,238
Pershing hall revolving fund	-446	0	0	0
Nursing home revolving fund	158	0	0	0
Grants for construction of State extended care facilities	60,482	91,457	94,717	3,260
Special therapeutic & rehabilitation activities fund	-1,317	-1,351	-1,385	-34
Medical care collections fund, receipts	-770,804	-805,000	-1,083,874	-278,874
Medical facilities revolving fund	713	585	576	-9
Veterans extended care revolving fund	0	0	0	0
Veterans health services improvement, receipts	0	-226,000	-365,000	-139,000
Subtotal, hospital and medical care for veterans	20,959,572	22,089,155	24,336,087	2,246,932

^{1/}The Administration is proposing that agencies pay the full cost of the accrual for CSRS and FEHB in 2003. This chart reflects the cost of the accrual only in 2003.

Functional Distribution of Outlays ^{1/}
(dollars in thousands)

Function and Program	2001	2002	2003	Increase (+) Decrease (-)
704: Veterans Housing				
Veterans housing benefit program fund liquidating account	-3,966	-47,353	-2,234	45,119
Veterans housing benefit program fund program account	497,515	918,542	613,199	-305,343
Guaranteed transitional housing loans for homeless veterans	0	0	4,777	4,777
Downward reestimates:				
Veterans housing benefit guaranteed loan	-1,149,146	-697,920	0	697,920
Veterans housing benefit loan securities	-107,988	-29,424	0	29,424
Veterans housing benefit direct loan	-162,663	-1,068,328	-97,583	970,745
Native American veteran housing loan program account	0	-1,916	0	1,916
Native American veteran housing loan program account	647	798	565	-233
Subtotal, veterans housing	-925,601	-925,601	518,724	1,444,558
705: Other veterans benefits and services:				
Grants for the construction of State veterans cemeteries	20,347	21,167	24,984	3,817
Canteen service revolving fund	5,948	1,500	521	-979
Supply fund	-48,909	0	0	0
General post fund	31,910	32,740	32,969	229
General operating expenses	1,071,700	1,193,817	1,306,724	112,907
National cemetery administration	103,351	119,944	137,090	17,146
National cemetery gift fund	92	100	100	0
Office of Inspector General	47,236	51,703	57,735	6,032
Franchise fund	-7,060	-3,000	-4,000	-1,000
Subtotal, other veterans benefits and services	1,224,615	1,417,971	1,556,123	138,152
Total, function 700 Distribution of Budget				
Outlays for the Department of Veterans Affairs	\$45,037,018	\$50,615,579	\$56,511,367	\$5,896,021
Deduction for offsetting receipts (Function 902)	-862,608	-835,448	-787,030	48,418
Total Department of Veterans Affairs	\$44,174,410	\$49,780,131	\$55,724,337	\$5,944,206

^{1/}The Administration is proposing that agencies pay the full cost of the accrual for CSRS and FEHB in 2003. This chart reflects the cost of the accrual only in 2003.

Obligations ^{1/}
(dollars in thousands)

Appropriation/Fund Account	2001	2002	2003	Increase (+) Decrease (-)
Federal funds:				
Benefit programs:				
Compensation and pensions	\$23,396,460	\$25,051,699	\$26,553,754	\$1,502,055
Proposed legislation	0	0	278,960	278,960
Readjustment benefits	1,839,432	2,452,480	2,799,116	346,636
Veterans insurance and indemnities	26,448	28,803	29,600	797
Reinstated entitlement program for survivors	15,800	15,000	12,446	-2,554
Veterans housing benefit program fund liquidating account	183,910	206,908	183,797	-23,111
Veterans housing benefit program fund program account	497,516	918,542	613,199	-305,343
Native American veterans housing loan program account	647	798	565	-233
Guaranteed transitional housing loans for homeless veterans	0	0	9,554	9,554
Service-disabled veterans insurance fund	62,672	64,274	64,700	426
Veterans reopened insurance fund	68,613	70,400	68,990	-1,410
Education loan fund program account	220	65	72	7
Vocational rehabilitation loans program account	478	345	348	3
Grants for veterans employment			197,000	197,000
Servicemembers' group life insurance fund	461,224	659,640	684,030	24,390
Total benefits programs	26,553,420	29,468,954	31,496,131	2,027,177
Medical programs:				
Medical care	21,316,369	22,926,609	25,397,935	2,471,326
Medical and prosthetic research	364,461	430,807	442,075	11,268
Medical center research organizations	157,448	161,384	165,580	4,196
Medical administration and miscellaneous operating expenses	68,929	74,235	84,369	10,134
Medical facilities revolving fund	1,511	1,550	1,590	40
Extended care revolving fund	0	20,000	40,000	20,000
Canteen service revolving fund	219,714	229,571	230,271	700
Special therapeutic and rehabilitation activities fund	34,924	35,832	36,764	932
Total medical programs	22,163,356	23,879,988	26,398,584	2,518,596
Construction programs:				
Construction, major projects	88,161	176,700	290,000	113,300
Construction, minor projects	150,135	250,800	215,600	-35,200
Parking revolving fund	5,683	14,500	9,000	-5,500
Grants for construction of State extended care facilities	85,040	242,099	100,000	-142,099
Grants for the construction of State veterans cemeteries	23,756	41,701	32,000	-9,701
Pershing hall revolving fund	5	0	0	0
Total construction programs	352,780	725,800	646,600	-79,200
General operating expenses & miscellaneous:				
General operating expenses	1,447,840	1,662,041	1,754,510	92,469
Franchise fund	113,394	144,706	150,601	5,895
National cemetery administration	108,926	121,551	138,488	16,937
Office of Inspector General	48,490	55,159	61,230	6,071
Supply fund	949,969	1,000,000	1,054,667	54,667
Total GOE and miscellaneous	2,668,619	2,983,457	3,159,496	176,039
Total appropriations & funds	51,738,175	57,058,199	61,700,811	4,642,612
Total federal funds	51,738,175	57,058,199	61,700,811	4,642,612

^{1/} The Administration is proposing that Agencies pay the full cost of the accrual for CSRS and FEHB in 2003.
This chart reflects the cost of the accrual only in 2003.

<i>Obligations</i> <i>(dollars in thousands)</i>				
Appropriation/Fund Account	2000	2001	2002	Increase (+) Decrease (-)
Trust funds:				
Post-Vietnam era veterans education account	14,800	12,200	12,000	-200
General post fund	30,871	31,674	31,967	293
National service life insurance	1,732,519	1,744,720	1,733,500	-11,220
U.S. Government life insurance	11,392	11,010	10,110	-900
Veterans special life insurance	208,558	215,350	220,790	5,440
National cemetery gift fund	95	100	100	0
Total trust funds	1,998,235	2,015,054	2,008,467	-6,587
Total Department of Veterans Affairs	\$53,736,410	\$59,073,253	\$63,709,278	\$4,636,025
Non-Budget				
Veterans housing benefit program direct loan financing account	1,881,320	3,045,599	2,211,285	-834,314
Veterans housing benefits program loan sale securities financing account	998,894	1,278,953	1,797,113	518,160
Veterans housing benefit program guaranteed loan financing account	3,197,529	3,273,513	2,839,371	-434,142
Native American veterans housing direct loan financing account	2,743	6,213	4,644	-1,569
Guaranteed transitional housing loans for homeless veterans guaranteed loan financing account	0	0	10,045	10,045
Education direct loan financing account	0	4	4	0
Vocational rehabilitation direct loan financing account	2,494	3,377	3,708	331
Total Non-Budget	\$6,082,980	\$7,607,659	\$6,866,170	-\$741,489

Proposed Legislation (dollars in thousands)											
The following items with budgetary impact are included in the President's legislative program for the Second Session of the 107th Congress											
\$ in thousands	2003		2004		2005		2006		2007		
	BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays	BA	Outlays	
Compensation and Pensions: COLA Legislation											
o FY 2002 compensation COLA increase of 1.8 percent effective December 1, 2002 (requesting "such sums as necessary")	\$278,960	\$254,880	\$714,620	\$677,013	\$1,207,260	\$1,266,736	\$1,748,240	\$1,747,250	\$2,304,270	\$2,108,564	\$
Other Compensation and Pensions Legislation:											
o Permanently extend VA authority to verify income data with IRS			-\$6,000	-\$6,000	-\$6,000	-\$6,000	-\$6,000	-\$6,000	-\$6,000	-\$6,000	
Compensation and Pensions: Other legislation	\$0	\$0	-\$6,000	-\$6,000	-\$6,000	-\$6,000	-\$6,000	-\$6,000	-\$6,000	-\$6,000	
CSRS and FEHB Accrual (total Department)											
o Accrual totals	\$891,963	\$891,963	\$891,963	\$891,963	\$891,963	\$891,963	\$891,963	\$891,963	\$891,963	\$891,963	\$
Medical Care											
o Priority 7 deductible (\$1,500 cap)	-\$1,145,121	-\$1,145,121									-\$
o Provide outpatient dental to former POWs	\$108	\$108									
o Provide newborn care as part of basic benefits	\$2,572	\$2,572									
Medical Care Collections Fund											
o Priority 7 deductible (\$1,500 cap)	\$259,874	\$259,874									
Total, Medical care	-\$882,567	-\$882,567	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Proposed Legislation	\$288,356	\$264,276	\$708,620	\$671,013	\$1,201,260	\$1,260,736	\$1,742,240	\$1,741,250	\$2,298,270	\$2,102,564	\$